

**State of Washington**  
**RETURN ON EQUITY WORKSHEET**

Company:
Program:

Filing number of approved reference document (if any) containing company's method of complying  
with WAC 284-24-065: \_\_\_\_\_

Target after-tax rate of return on equity: \_\_\_\_\_ %, where equity is defined as (check one):

☐ statutory surplus

☐ GAAP surplus

☐ other: \_\_\_\_\_

Support for target rate of return (check one):

☐ returns of property-casualty industry as a whole

☐ returns of insurers writing coverages of similar risk

☐ returns of other industries of similar risk

☐ return needed to attract investors (stock companies only)

☐ return needed to maintain adequate surplus (mutual, reciprocal companies only)

Equity is allocated according to (check one):

☐ premiums

☐ reserves

☐ leverage ratios (premium-to-surplus ratios that vary by line)

☐ other: \_\_\_\_\_

☐ not allocated, used alternative in WAC 284-24-065(7); all-lines target operating ratio is \_\_\_\_\_ %

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Budgeted underwriting profit: \_\_\_\_\_ % of direct premium. If profit margin varies by sublines, please list sublines and margins below.

<u>Subline</u>	<u>%</u>	<u>Subline</u>	<u>%</u>
_____	_____	_____	_____
_____	_____	_____	_____

Liability filings only. Do the company's increased limit factors for this coverage include risk loads?

☐ Yes

☐ No

If "Yes": The average additional revenue over all policy limits due to risk load is \_\_\_\_\_ % of direct premium.

Where in the filing are the following elements shown? (If there is an approved reference document, some of these may not need to appear in this filing.)

	<u>Exhibit Number</u>	<u>Page Number</u>	or	<u>Reference Document</u>
Support for target rate of return	_____	_____		_____
Allocation of equity	_____	_____		_____
Calculation of target operating ratio (if using WAC 284-24-064(7))	_____	_____		_____
Consideration of investment income on reserves	_____	_____		_____
Consideration of investment income on surplus	_____	_____		_____
Consideration of federal income taxes	_____	_____		_____
Consideration of risk loads (if required)	_____	_____		_____
Calculation of provision for underwriting profit	_____	_____		_____
Explanation of any material difference between indicated and selected rate change	_____	_____		_____